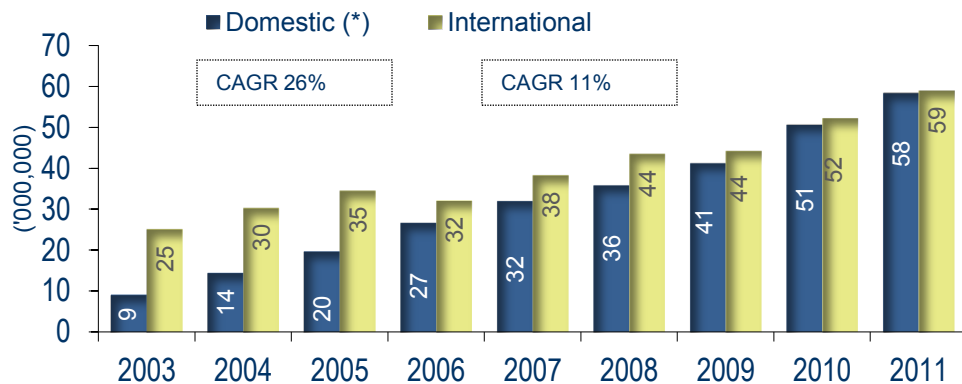


# January-March 2012 Results



# Aviation Market & Economy

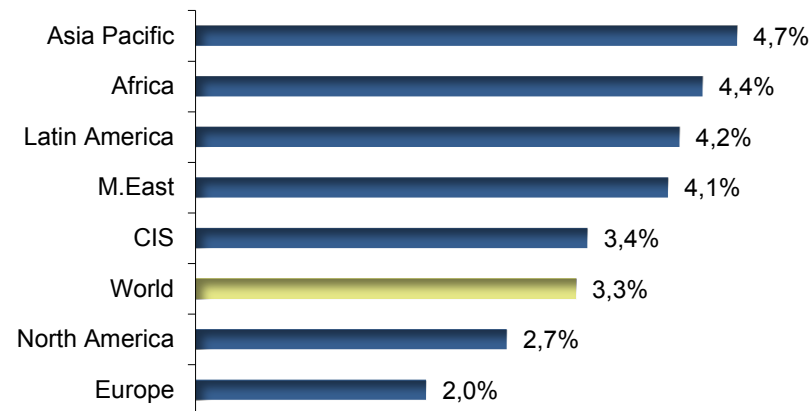
## Turkish Market Growth



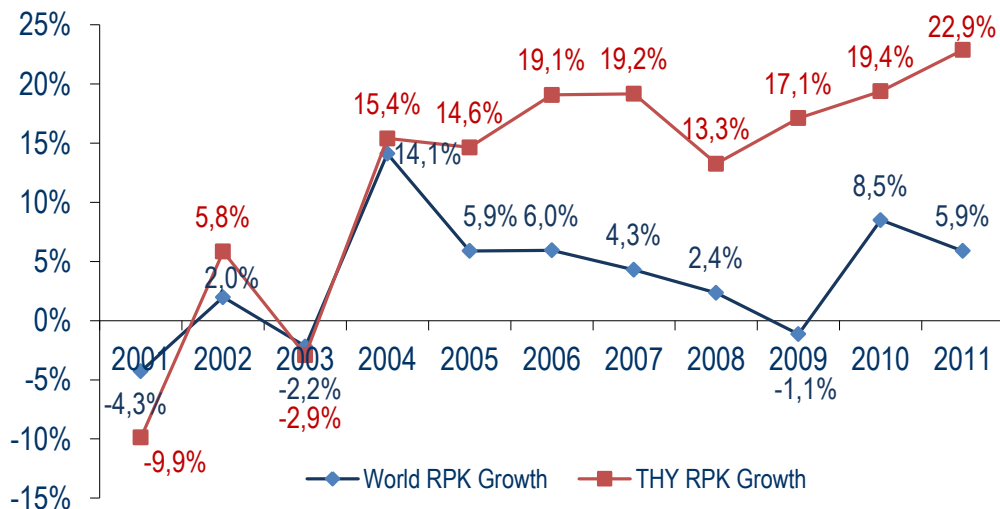
CAGR: Compound Annual Growth Rate

Source: General Directorate of State Airports Authority (DHMI). (\*)Some pax counted double by DHMI

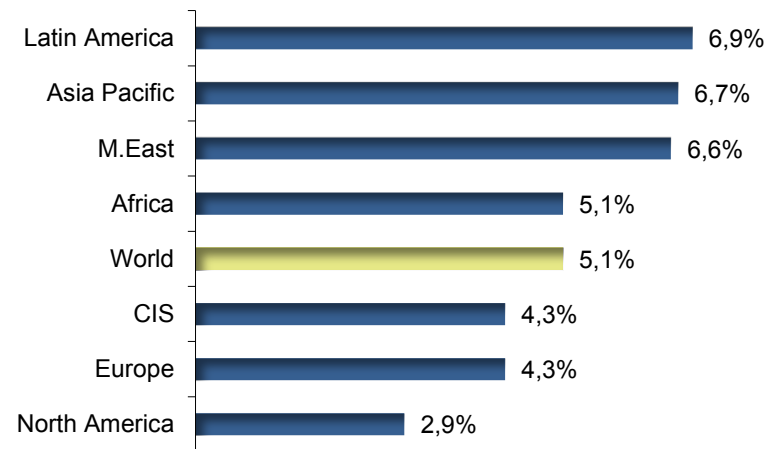
## Annual GDP Growth Forecast (2010-2030)



## RPK Growth %



## Annual RPK Growth Forecast (2010-2030)



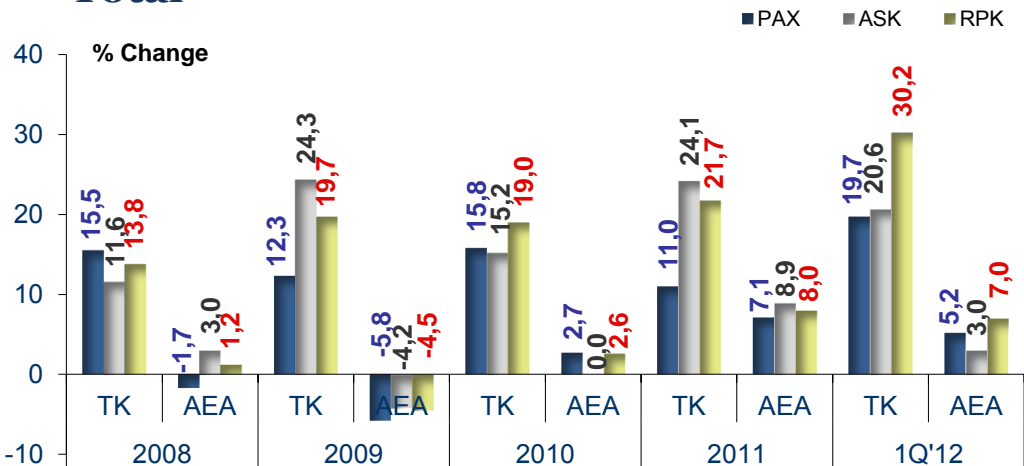
Source: Boeing Current Market Outlook 2011-2030

*Globally Yours*

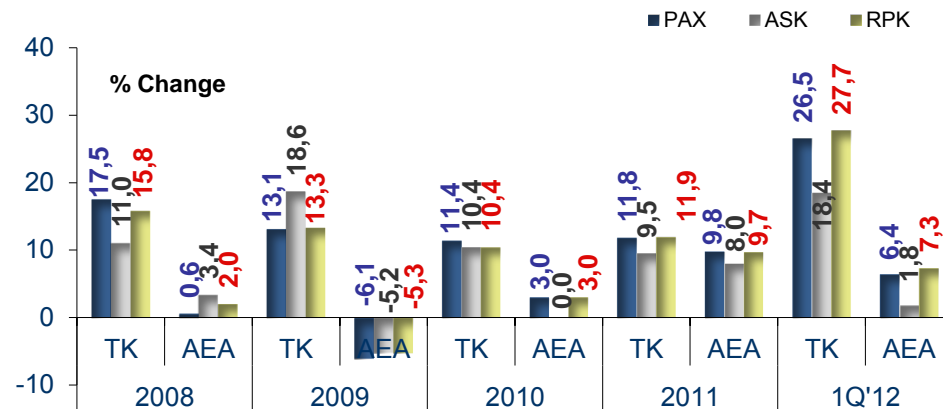


# THY vs AEA

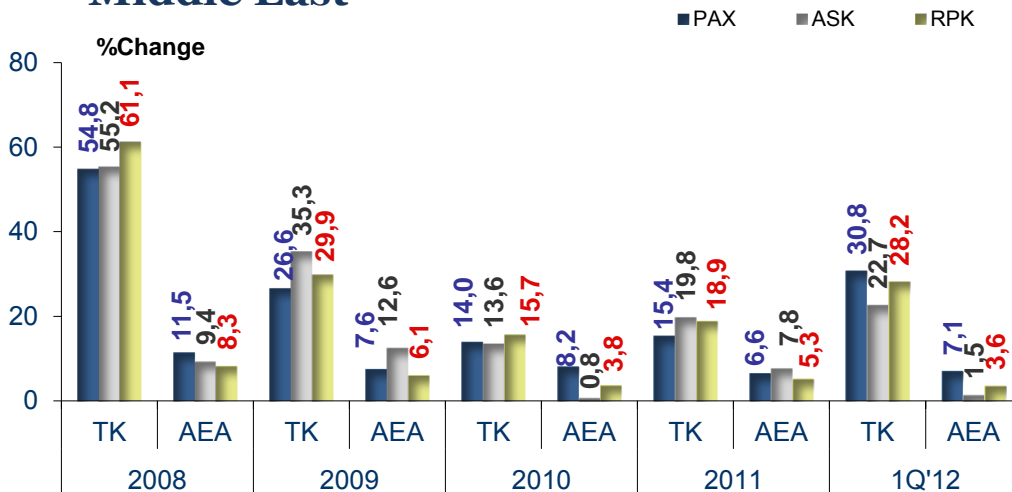
## Total



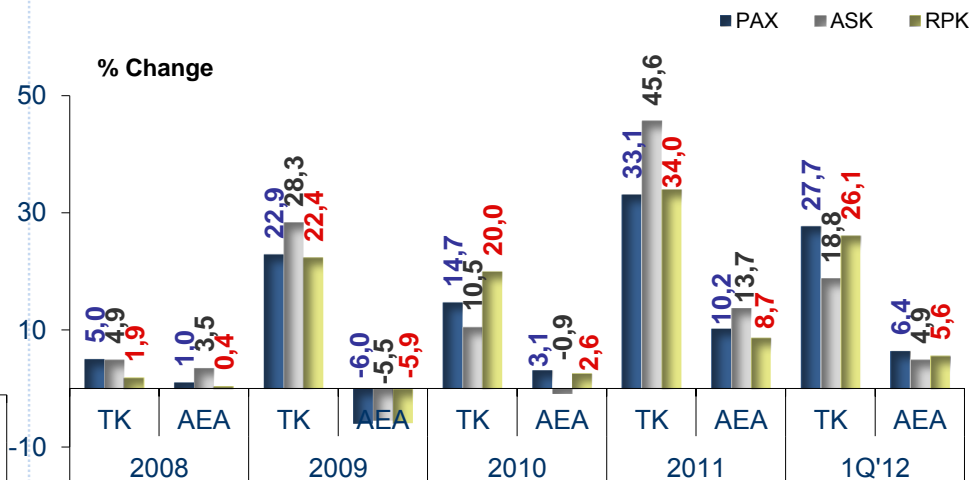
## Europe



## Middle East



## Far East

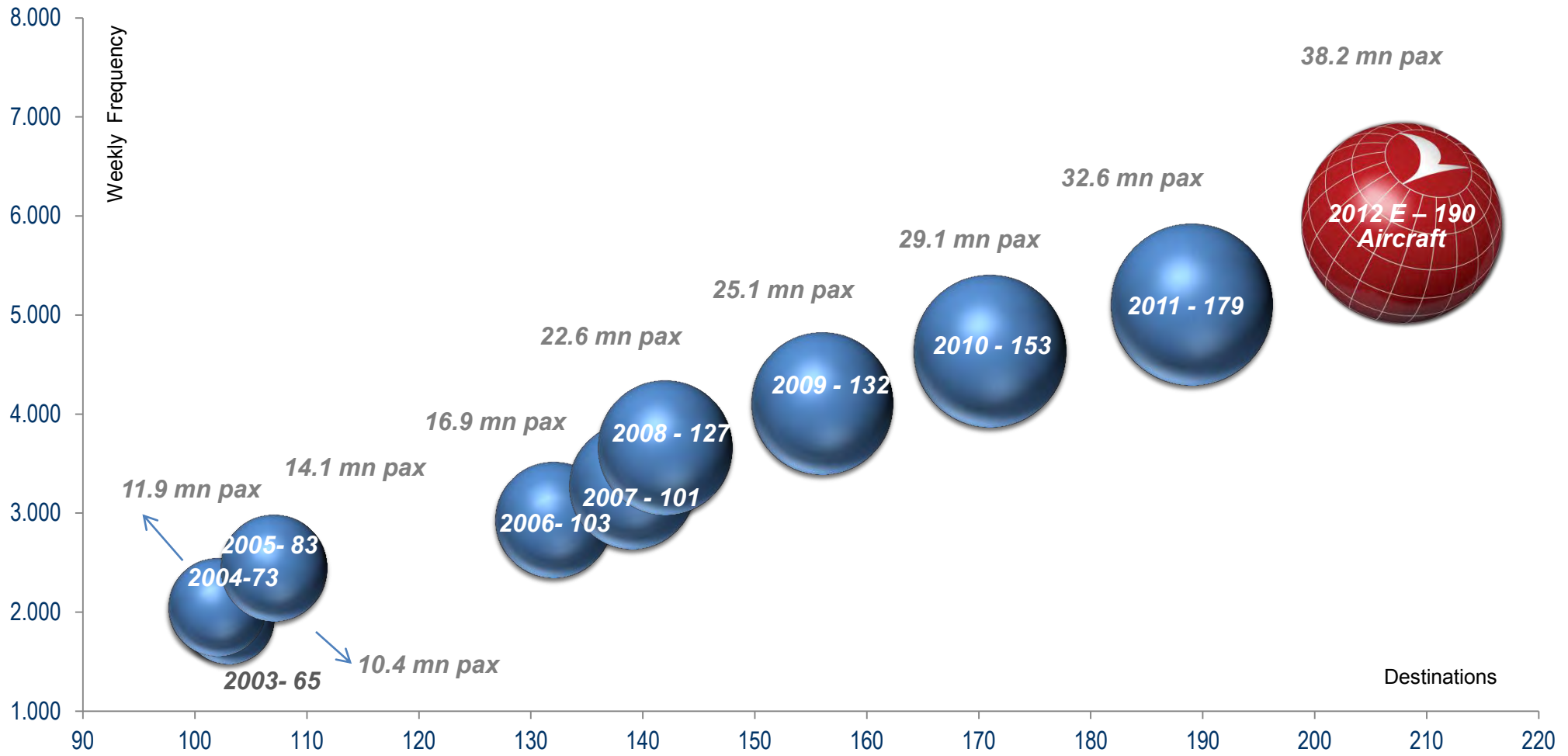




# Advantages: Geographical Location



# Network Mapping





# Destinations: 151\* International Lines

AMERICAS (6)	EUROPE (77)				FAR EAST (23)	
CHICAGO (7) LOS ANGELES (7) NEW YORK (21) SAO PAULO (4) <b>BUENOS AIRES</b> TORONTO (4) WASHINGTON D.C. (7) <b>ATLANTA</b>	AMSTERDAM (28) ATHENS (21) BAKU (28) BARCELONA (21) BASEL (8) BATUMI (7) BELGRADE (14) BERLIN (28) BIRMINGHAM (7) BOLOGNA (14) BRUSSELS (28) BUCHAREST (21) BUDAPEST (14) CHISINAU (7) COLOGNE (16) COPENHAGEN (21) DONETSK (8) DNEPROPETROVSK (5) DUBLIN (7)	DUSSELDORF (28) EKATERINBURG (4) FRANKFURT (30) GENEVA (18) GENOA (5) GOTHENBURG (10) HAMBURG (25) HANNOVER (17) HELSINKI (12) KAZAN (4) KIEV (13) LEFKOSA (28) LISBON (7) LJUBLJANA (5) LONDON (45) LVIV (3) LYON (14) MADRID (14) MALAGA (5)	MANCHESTER (10) MILAN (28) MINSK (4) MOSCOW (28) MUNICH (25) NAKHICHEVAN (1) NAPOLI (5) NICE (10) NOVOSIBIRSK (3) NURNBERG (14) ODESSA (11) OSLO (14) PARIS (28) PODGORICA (4) PRAG (14) PRISTINA (14) RIGA (4) ROME (14) ROSTOV (3)	SARAJEVO (7) SIMFEROPOL (7) SKOPJE (10) SOCHI (3) SOFIA (11) STOCKHOLM (21) ST.PETERSBURG (4) STUTTGART (21) TBILISI (14) THESALONIKI (6) TIRANA (10) TORINO (7) TOULOUSE (5) UFA (5) WARSAW (4) VALENCIA (5) VENICE (14) VIENNA (28) ZAGREB (7)	ZURICH (21) <b>ULANBATOR</b> <b>BILBAO</b> <b>LA CORUNA</b> <b>AALBORG</b> <b>BILLUND</b> <b>BREMEN</b> <b>LEIPZIG</b> <b>EDINBURGH</b> <b>KHARKIV</b>	ALMATY (9) ASHKHABAD (14) ASTANA (3) BANGKOK (11) BEIJING (7) BISHKEK (10) DHAKA (4) DUSHANBE (2) GUANGZHOU (4) HO-CHI-MINH (7) HONG KONG (6) ISLAMABAD (3) JAKARTA (7) KABUL (5) KARACHI (4) MUMBAI (7) NEW DELHI (7) OSAKA (7) SHANGHAI (7) SEOUL (7) SINGAPORE (7) TASHKENT (7) TOKYO (7) <b>MANILA</b>
<b>AFRICA (19)</b> ACCRA (4) <b>ABIDJAN</b> ADDIS ABABA (7) ALEXANDRIA (4) ALGIERS (7) BENGHAZI (10) CAIRO (17) CAPETOWN (7) CASABLANCA (7) DAKAR (3) DAR ES SALAAM (7) ENTEBBE(4) <b>KIGALI</b> JOHANNESBURG(7) KHARTOUM (9) MOGADISHU (2) LAGOS (7) MISRATA (7) NAIROBI (7) TRIPOLI (11) TUNIS (7) <b>ORAN</b> <b>ABUJA</b> <b>KANO</b> <b>KINSHASA</b>	BIRMINGHAM (7) BOLOGNA (14) BRUSSELS (28) BUCHAREST (21) BUDAPEST (14) CHISINAU (7) COLOGNE (16) COPENHAGEN (21) DONETSK (8) DNEPROPETROVSK (5) DUBLIN (7)	DUSSELDORF (28) EKATERINBURG (4) FRANKFURT (30) GENEVA (18) GENOA (5) GOTHENBURG (10) HAMBURG (25) HANNOVER (17) HELSINKI (12) KAZAN (4) KIEV (13) LEFKOSA (28) LISBON (7) LJUBLJANA (5) LONDON (45) LVIV (3) LYON (14) MADRID (14) MALAGA (5)	MANCHESTER (10) MILAN (28) MINSK (4) MOSCOW (28) MUNICH (25) NAKHICHEVAN (1) NAPOLI (5) NICE (10) NOVOSIBIRSK (3) NURNBERG (14) ODESSA (11) OSLO (14) PARIS (28) PODGORICA (4) PRAG (14) PRISTINA (14) RIGA (4) ROME (14) ROSTOV (3)	SARAJEVO (7) SIMFEROPOL (7) SKOPJE (10) SOCHI (3) SOFIA (11) STOCKHOLM (21) ST.PETERSBURG (4) STUTTGART (21) TBILISI (14) THESALONIKI (6) TIRANA (10) TORINO (7) TOULOUSE (5) UFA (5) WARSAW (4) VALENCIA (5) VENICE (14) VIENNA (28) ZAGREB (7)	ZURICH (21) <b>ULANBATOR</b> <b>BILBAO</b> <b>LA CORUNA</b> <b>AALBORG</b> <b>BILLUND</b> <b>BREMEN</b> <b>LEIPZIG</b> <b>EDINBURGH</b> <b>KHARKIV</b>	<b>MIDDLE EAST (26)</b> ABU DHABI (4) ALEPPO (5) AMMAN (14) BAGHDAD (14) BAHRAIN (7) BASRA (4) BEIRUT (28) DAMASCUS (7) DAMMAM (5) DOHA (7) DUBAI (14) ERBIL (11) JEDDAH (21) KUWAIT (14) MADINAH (14) MASHAD (5) MOSUL (4) MUSCAT (7) NAJAF (3) RIYADH (14) SANAA (3) SHIRAZ (5) SULAYMANIYAH (4) TABRIZ (7) TEHRAN (21) TEL AVIV (25) <b>TAIF</b> <b>YANBU</b>

\*As of March'12

Planning to open

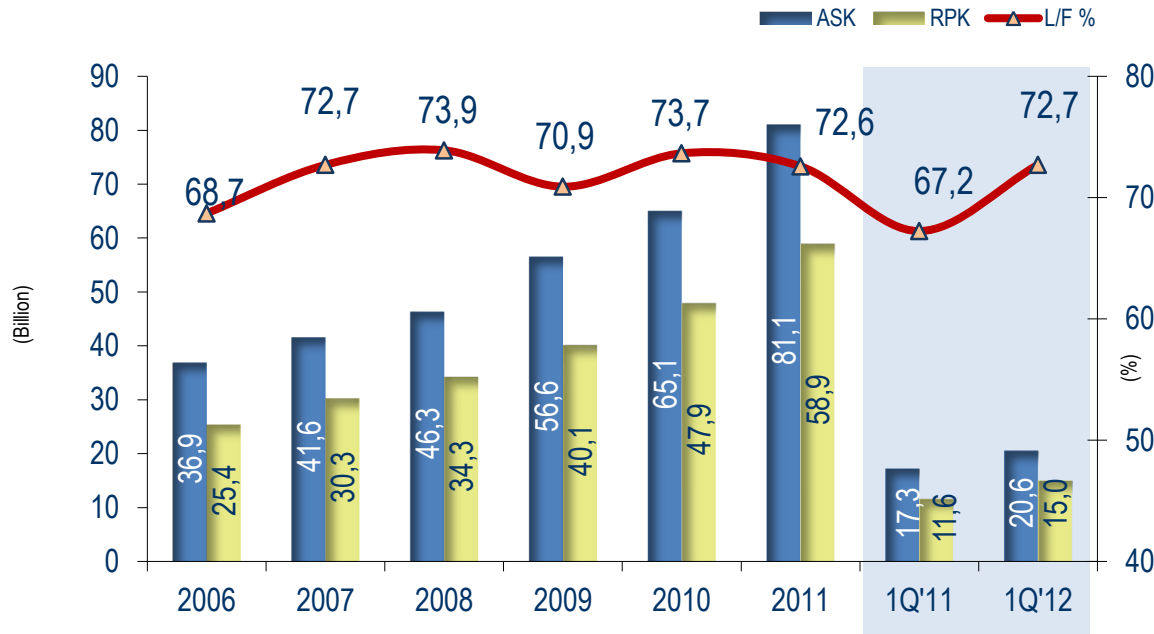
(Weekly Frequency)

# Destinations: 40 Domestic Lines

A STAR ALLIANCE MEMBER 



# Passenger Traffic - Total

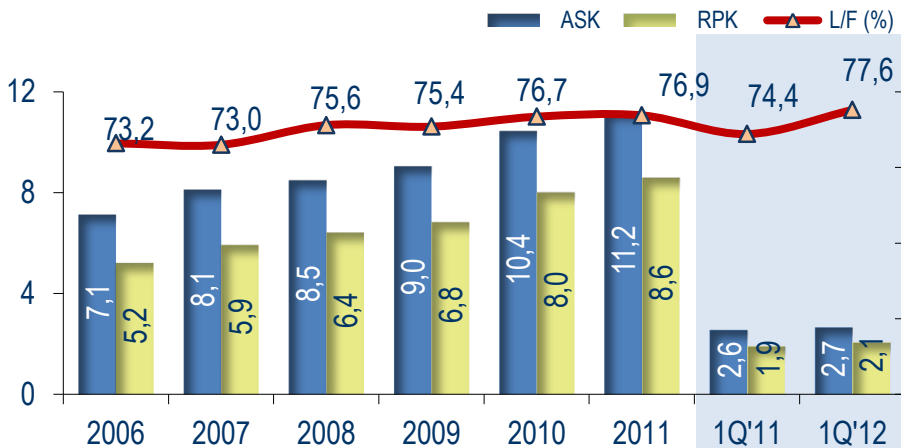


THY Passenger Traffic 1Q'11 vs 1Q'12		
Landing	up by	9,7%
ASK	up by	19,2%
RPK	up by	28,9%
Passenger # ('000)	up by	18,9%
L/F	up by	5.5 pt

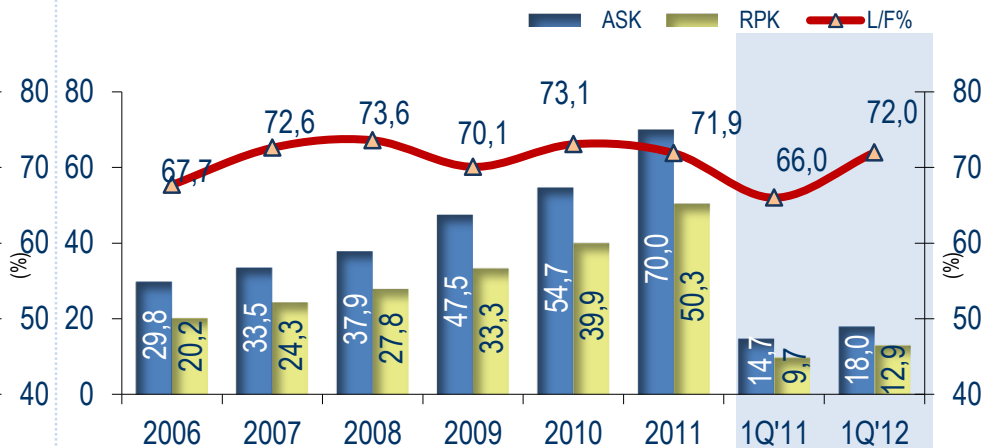


# Passenger Traffic

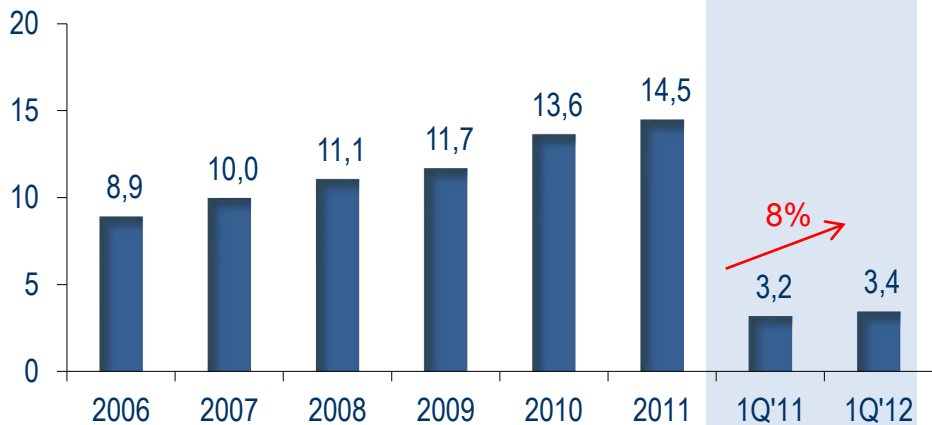
### Domestic (Bn)



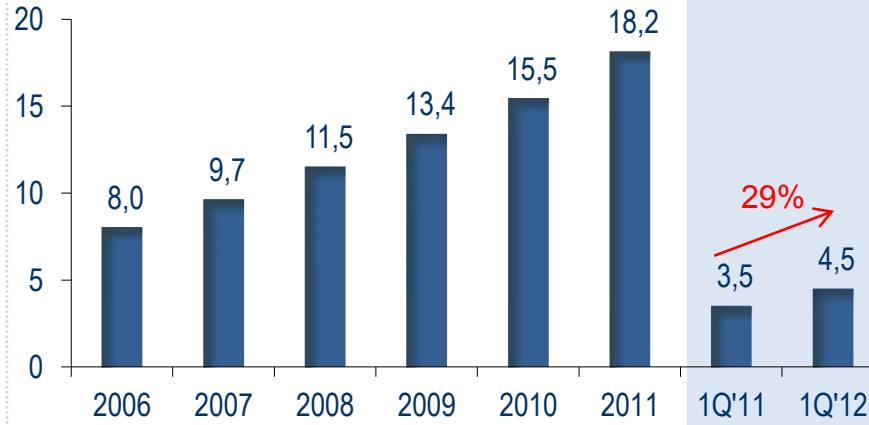
### International (Bn)



### Domestic Passengers (mn)



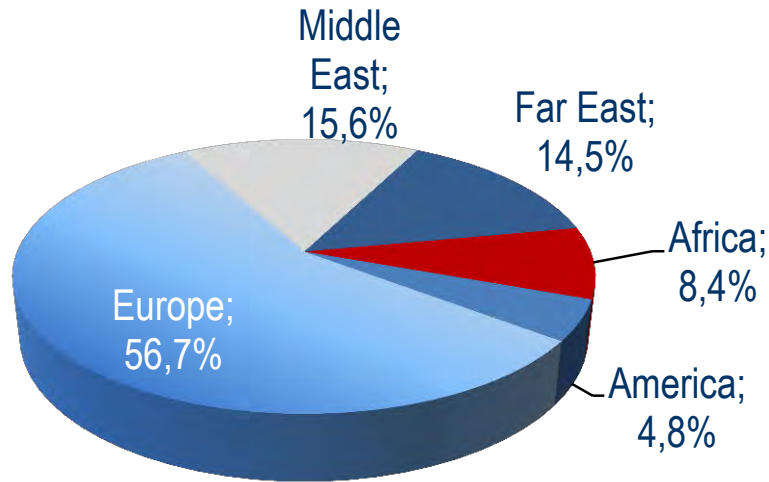
### International Passengers (mn)



# Passenger Breakdown

## Int'l. Traffic Breakdown by Geography

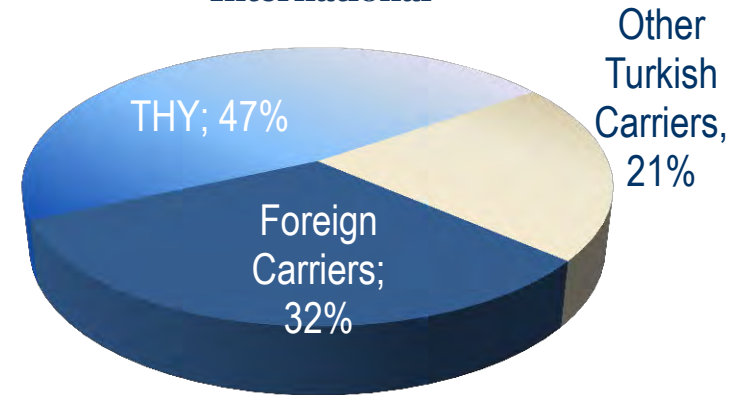
(1Q'12)



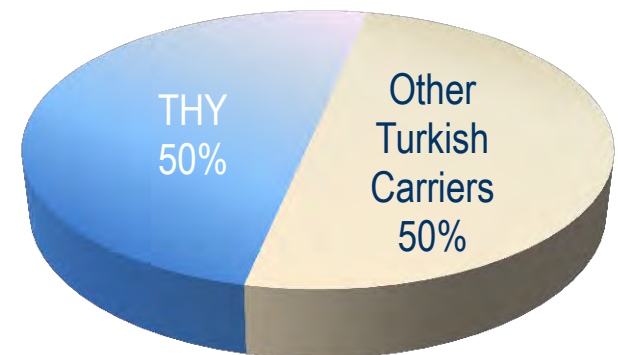
## Market Shares

(2011)

### International

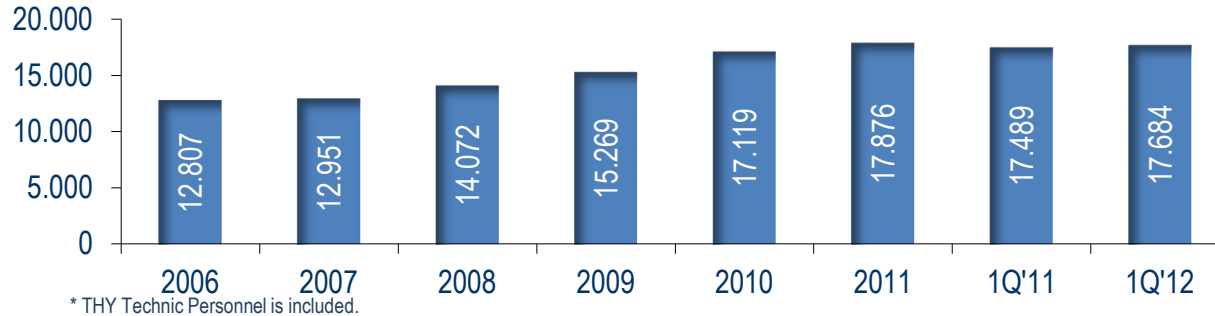


### Domestic



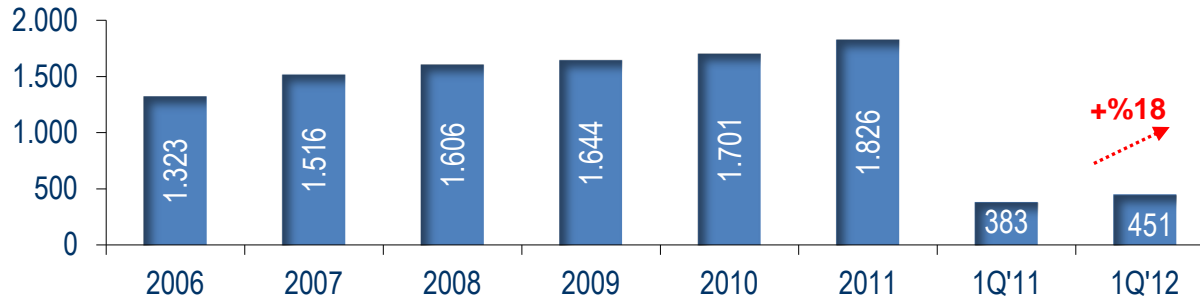
# Operating Efficiency

## Number of Personnel\*

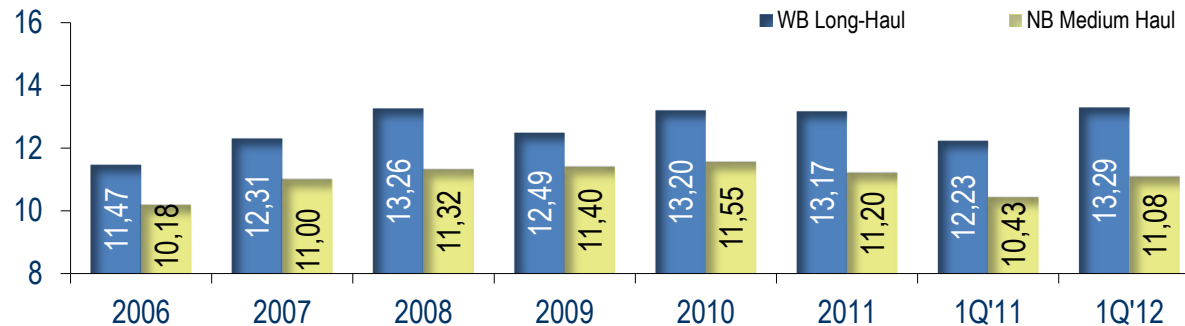


\* THY Technic Personnel is included.

## Passenger per Employee



## Average Daily Flight Utilization (hrs)



- › THY enjoys high personnel efficiency compared to its peers.
- › Personnel cost of THY per ASK was only \$1.63 cents in the first quarter of 2012.
- › As of March 2012, the utilization increased in wide body by 8,9%, in narrow body aircraft by 3,9%. Total utilization increased by 4,5%.

# Current Fleet as of March'12

	Type	Total	Owned	Financial Lease	Operational Lease	Seat Capacity	Avg.Fleet Age	YEAR END FLEET**					
								2010	2011	2012	2013	2014	2015
<b>Wide Body</b> 19,7%	A330-200	7		5	2	1.812	7,0	7	7	7	7	7	7
	A330-300	8		8		2.312	1,3	4	7	10	10	10	10
	A340-300	8	7		1	2.232	15,6	9	9	7	7	7	7
	B777-3ER	12		10	2	4.044	1,2	9	12	12	12	12	12
	<b>Total</b>	<b>35</b>	<b>7</b>	<b>23</b>	<b>5</b>	<b>10.400</b>	<b>5,6</b>	<b>29</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>
<b>Narrow Body</b> 77,0%	B737-900ER	2		2		302	0,3	-	2	9	10	10	15
	B737-800	54	11	29	14	8.898	8,7	52	54	55	61	71	70
	B737-700	12			12	1.688	6,1	14	14	8	7	6	2
	B737-400	3			3	450	20,1	3	3	3	0	0	0
	A320-200	27		13	14	4.322	4,9	25	27	27	27	27	24
	A321-200	29		25	4	5.440	3,7	21	28	32	41	41	41
	A319-100	10		6	4	1.320	3,0	4	10	14	13	11	11
	<b>Total</b>	<b>137</b>	<b>11</b>	<b>75</b>	<b>51</b>	<b>22.420</b>	<b>6,2</b>	<b>119</b>	<b>138</b>	<b>148</b>	<b>159</b>	<b>166</b>	<b>163</b>
<b>Cargo</b> 3,4%	A310-300	4	3		1		23,8	4	4	3	2	2	2
	A330-200F	2		2			1,6	1	2	3	5	5	5
	<b>Total</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>1</b>		<b>16,4</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	
<b>TOTAL*</b>		<b>178</b>	<b>21</b>	<b>100</b>	<b>57</b>	<b>32.820</b>	<b>6,5</b>	<b>153</b>	<b>179</b>	<b>190</b>	<b>202</b>	<b>209</b>	<b>206</b>
<b>Year End Seat Capacity :</b>								<b>27.886</b>	<b>33.007</b>	<b>34.742</b>	<b>37.006</b>	<b>38.103</b>	<b>37.325</b>
<b>Seat Capacity Change :</b>								<b>18%</b>	<b>18%</b>	<b>5%</b>	<b>7%</b>	<b>3%</b>	<b>-2%</b>

• Wet lease aircraft is not included  
 \*\* After exit/delivery

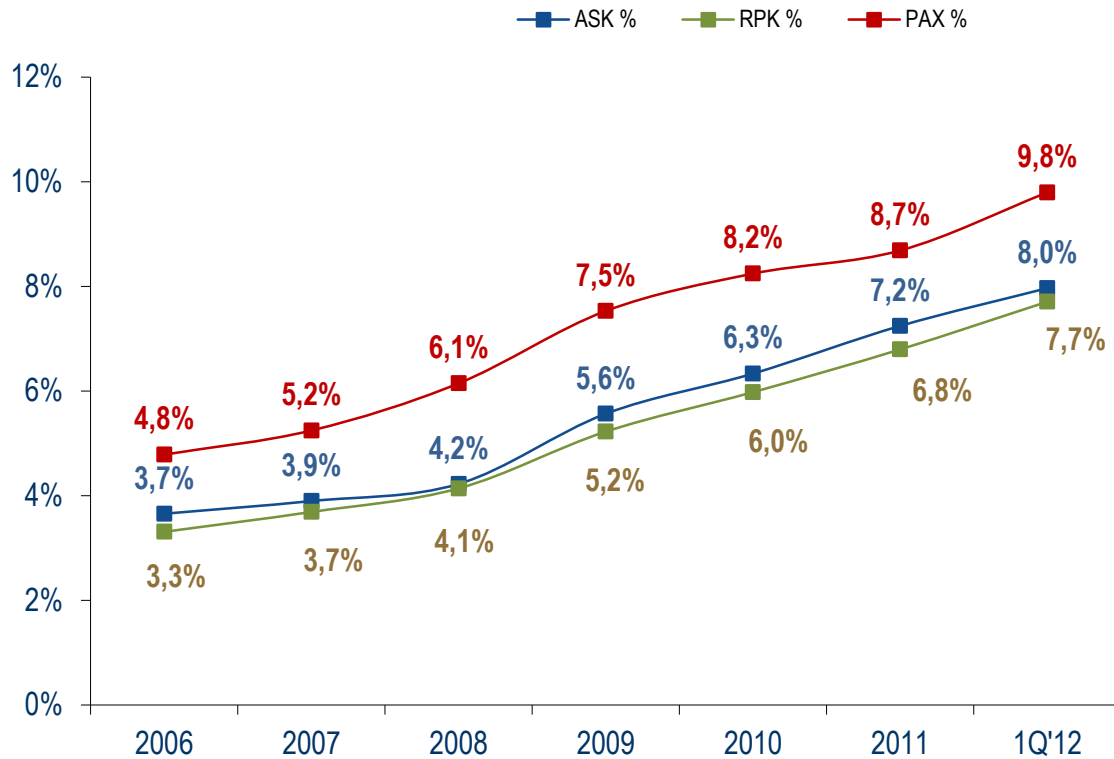


# Fleet Development

	Fleet Additions of 105 Aircraft-ORIGINAL PLAN								To Be Delivered				
	Type	2010	2011	2012	2013	2014	2015	TOTAL	2012	2013	2014	2015	TOTAL
Wide Body	A330-300	4	3	3				10	2				2
	B777-3ER	5	7					12					0
	<b>Total</b>	<b>9</b>	<b>10</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
Narrow Body	B737-900ER		2	7	1		5	15	7	1		5	13
	B737-800		2	2	6	10		20	2	6	10		18
	A321-200		8	7	9			24	5	9			14
	A319-100		6					6					0
	<b>Total</b>	<b>-</b>	<b>18</b>	<b>16</b>	<b>16</b>	<b>10</b>	<b>5</b>	<b>65</b>	<b>14</b>	<b>16</b>	<b>10</b>	<b>5</b>	<b>45</b>
Cargo	A330-200F	1	1	1	2			5	1	2			3
<b>TOTAL</b>		<b>10</b>	<b>29</b>	<b>20</b>	<b>18</b>	<b>10</b>	<b>5</b>	<b>92</b>	<b>17</b>	<b>18</b>	<b>10</b>	<b>5</b>	<b>50</b>

- › 104.9Mn\$ out of 408 Mn\$ PDP payment has already been paid as of March 2012 for the firm orders which will be delivered until 2015.
- › Total PDP payment due from manufacturers is around 601.4 Mn\$ as of March 2012.

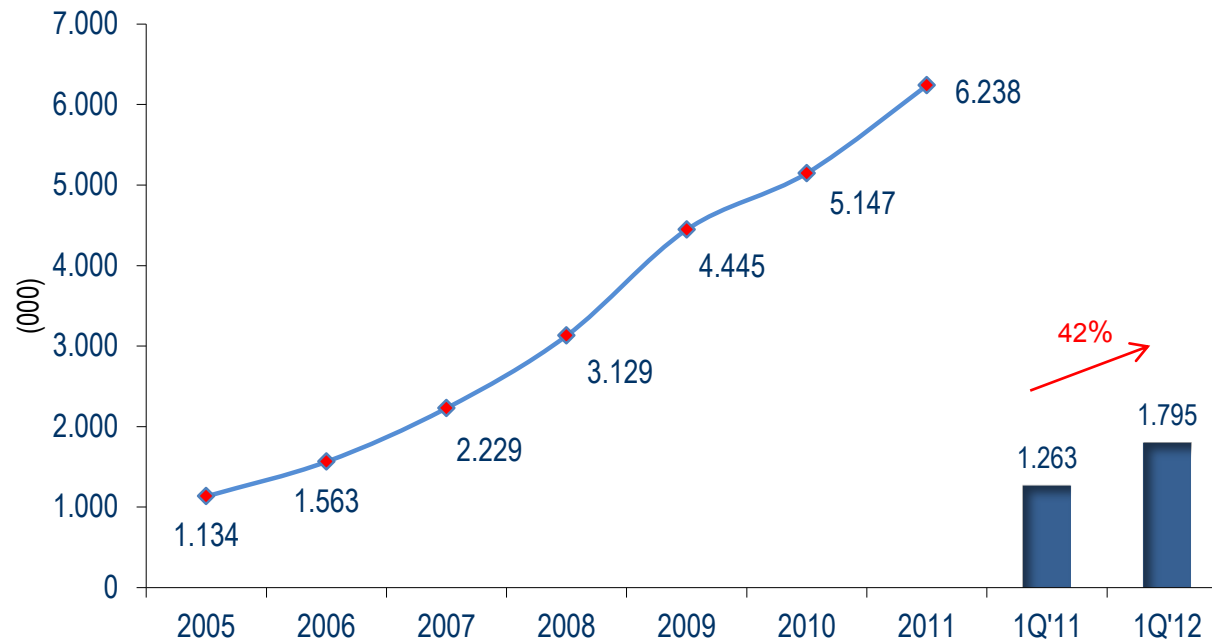
# Market Share Among AEA Airlines



THY ranks  
third  
in passenger;  
fifth  
in ASK and RPK  
market share  
among AEA  
member airlines

Source: AEA= Association of European Airlines (Scheduled Traffic)

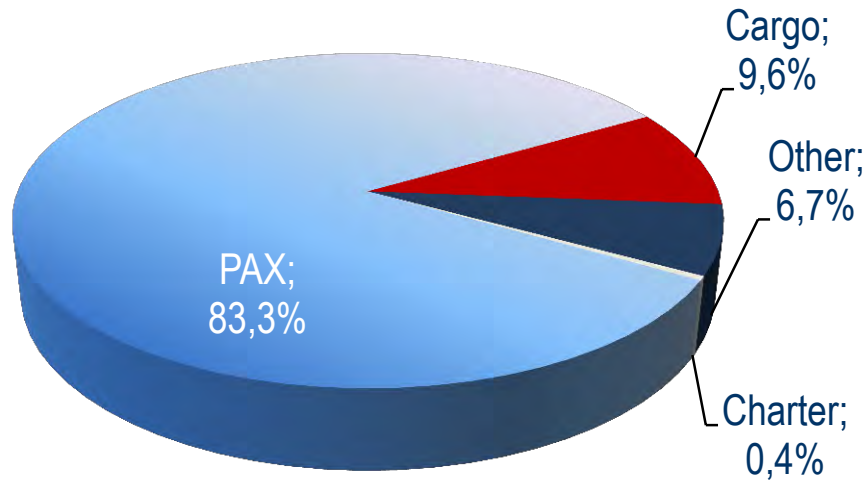
# Int'l-Int'l Transfer Passengers



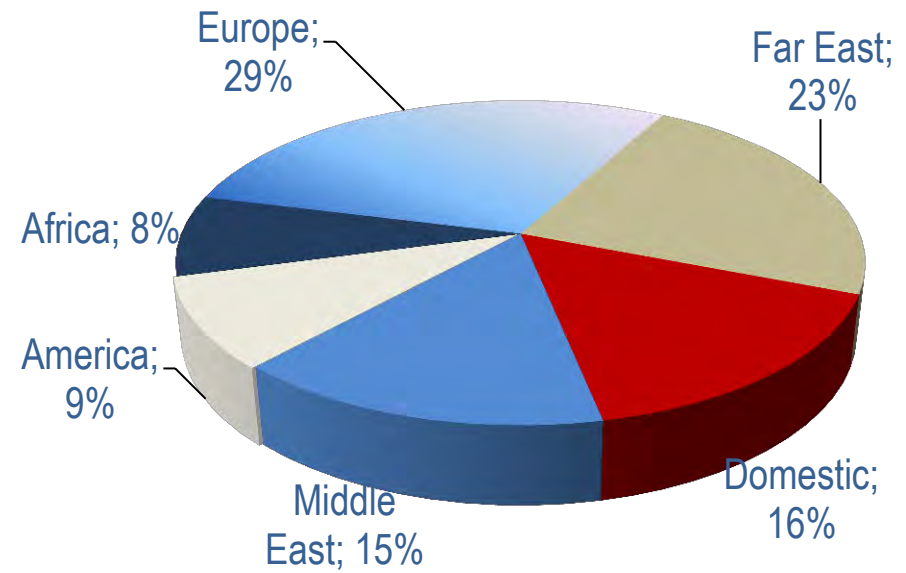
- › As of March 2012, THY carried total of 3.158.531 transfer passengers, with an increase of 29% compared to the same period of 2011.
- › Total transfer passengers accounted for 39,6% of the passenger traffic.
- › Int'l to int'l transfer passengers' share in total transfer passengers is 56,8%. As of March 2012, int'l to int'l transfer passengers increased by 42%, reaching to 1.794.806.

# Revenue Distribution

## Split by Revenue



## Pax Revenue Split by Geography



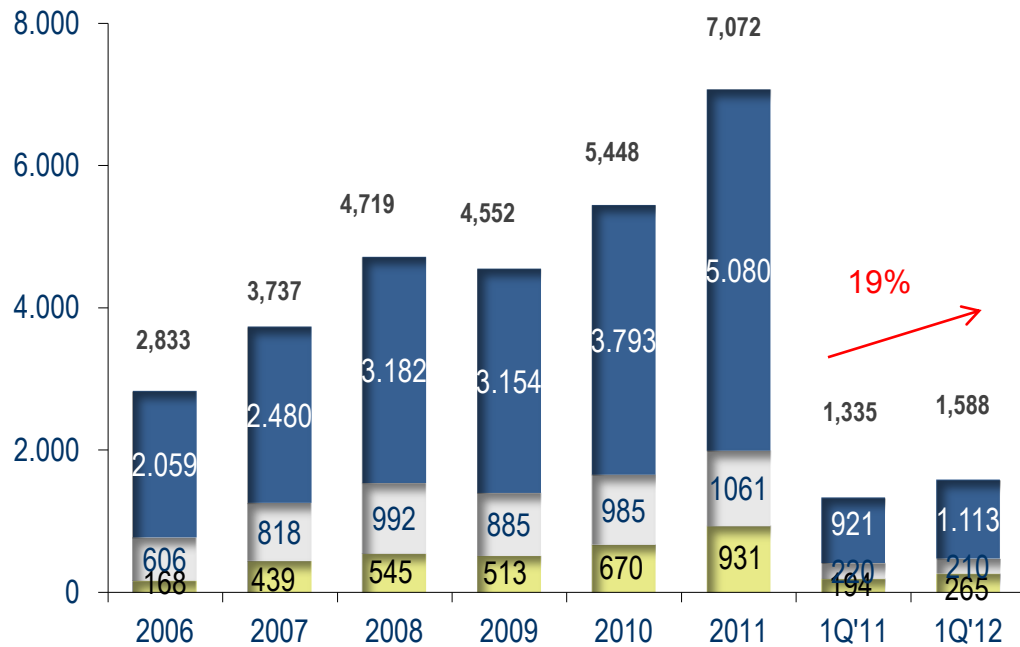
Source : Upto and including year 2010 Financials released under Turkish CMB standards converted to USD using yearly average exchange rates. However as of 01.01.2011 Functional currency of Turkish Airlines is changed from Turkish Lira to US Dollar .



# Total Revenues and Expenses

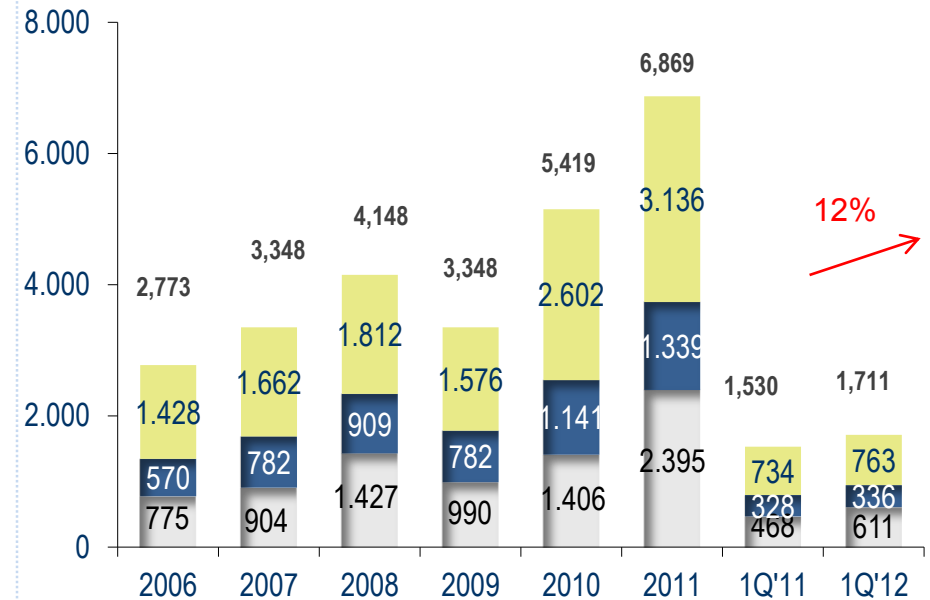
## Revenues (Mn\$)

■ International ■ Domestic ■ Other\*



## Expenses (Mn\$)

■ Other ■ Personnel ■ Fuel

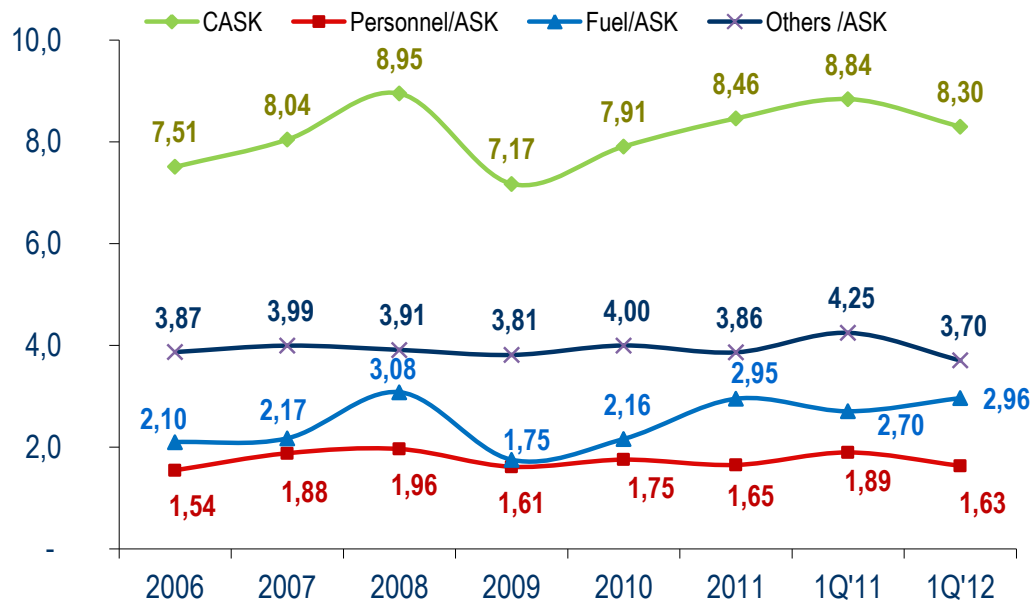


\* Cargo, charter and other revenue

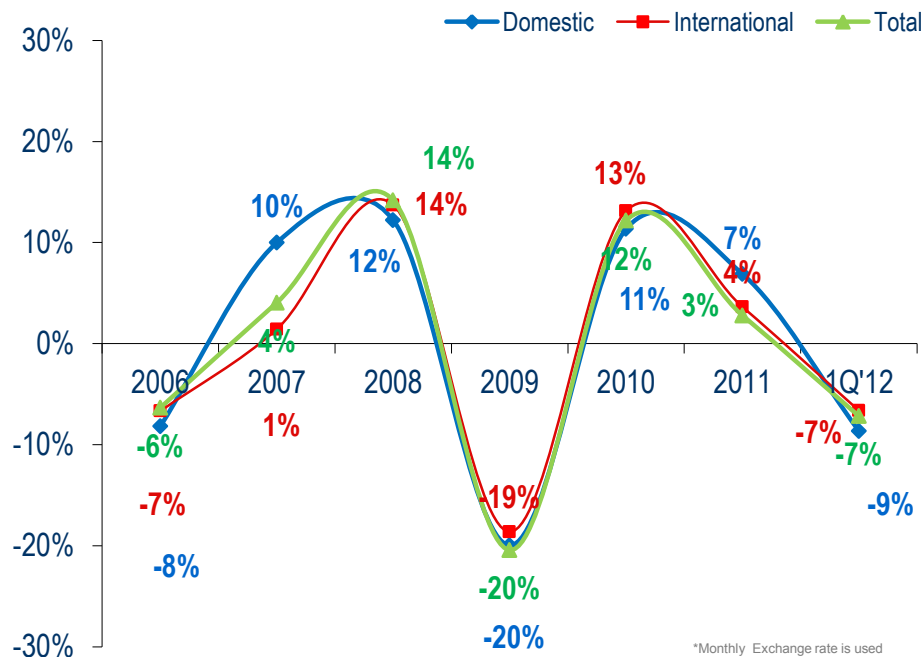
Source : Upto and including year 2010 Financials released under Turkish CMB standards converted to USD using yearly average exchange rates. However as of 01.01.2011 Functional currency of Turkish Airlines is changed from Turkish Lira to US Dollar .

# Operating Expenses-Unit Cost

## Cost Per ASK (\$ cent)



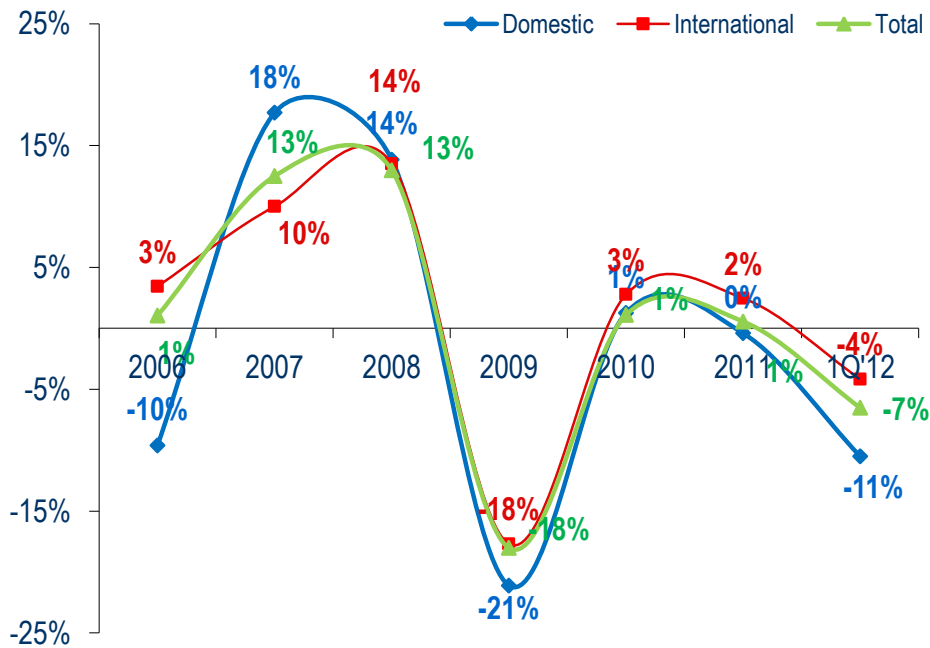
## Change in CASK\*(\$ cent)



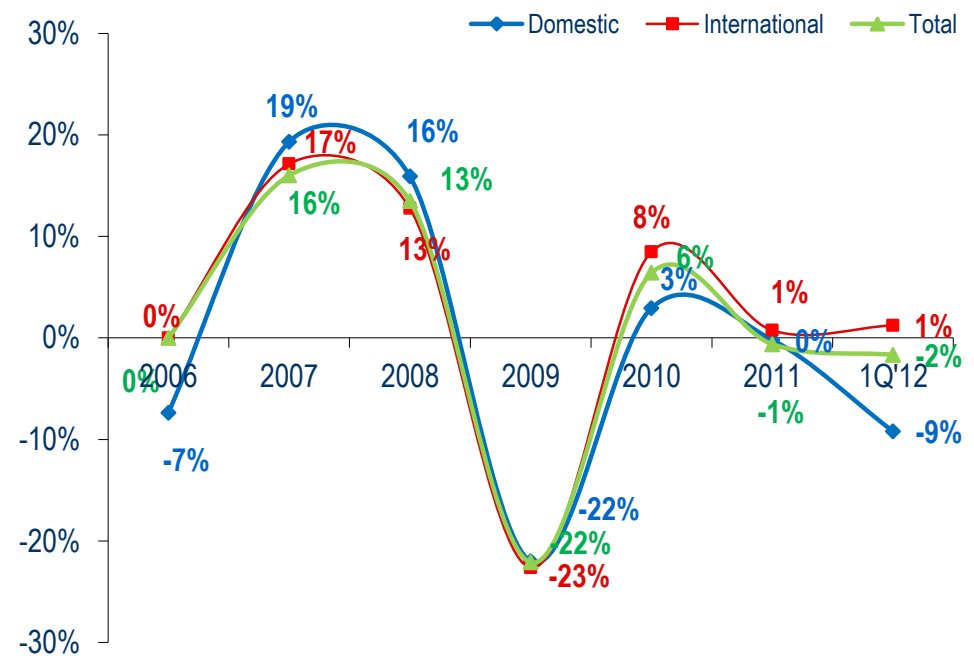
Source : Upto and including year 2010 Financials released under Turkish CMB standards converted to USD using yearly average exchange rates. However as of 01.01.2011 Functional currency of Turkish Airlines is changed from Turkish Lira to US Dollar .

# Financial Highlights

## Change in R/Y (\$ cent)



## Change in RASK (\$ cent)



Source : Upto and including year 2010 Financials released under Turkish CMB standards converted to USD using yearly average exchange rates. However as of 01.01.2011 Functional currency of Turkish Airlines is changed from Turkish Lira to US Dollar .

# Total Operating Expenses

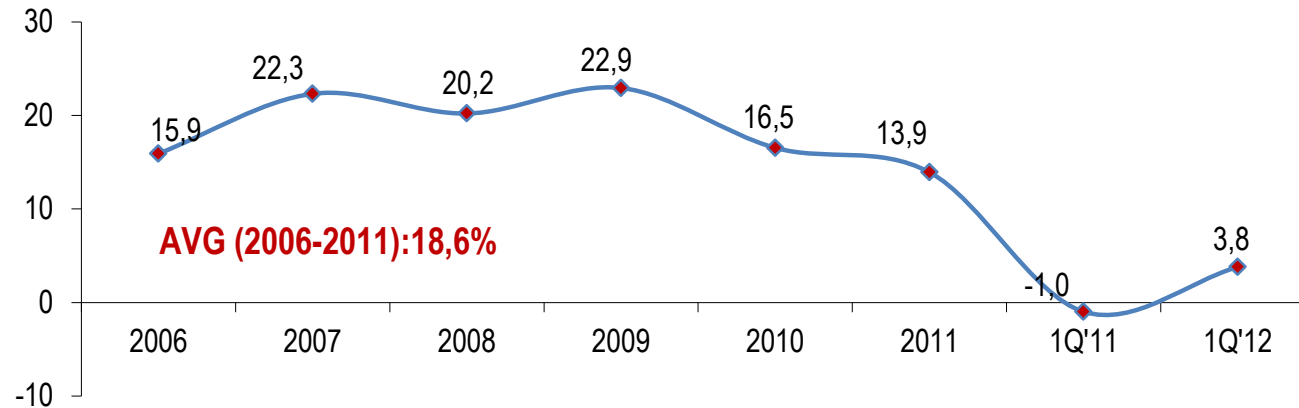
(\$ Mn)	1Q'11	% in Total	1Q'12	% in Total	12/'11 %
Fuel	468	31%	611	36%	31%
Personnel	328	21%	336	20%	3%
Landing	110	7%	142	8%	29%
Ground handling	103	7%	88	5%	-15%
Sales and Marketing	98	6%	115	7%	18%
Depreciation	101	7%	118	7%	17%
Rents	81	5%	65	4%	-20%
Passenger Catering	67	4%	74	4%	9%
Maintenance	76	5%	65	4%	-13%
Codeshare	19	1%	31	2%	63%
Others	27	2%	28	2%	2%
Advertising	28	2%	14	1%	-49%
General Administration	18	1%	11	1%	-41%
Insurance	7	0%	13	1%	81%
<b>TOTAL</b>	<b>1.530</b>	<b>100%</b>	<b>1.711</b>	<b>100%</b>	<b>12%</b>
Op.Cost per ASK (\$)	8,84		8,30		-6%
Op.Cost per ASK (\$) except fuel	6,14		5,33		-13%

Total expenses increased by 12%, mainly due to increase in fuel cost.



# EBITDAR Margin

## EBITDAR Margin %

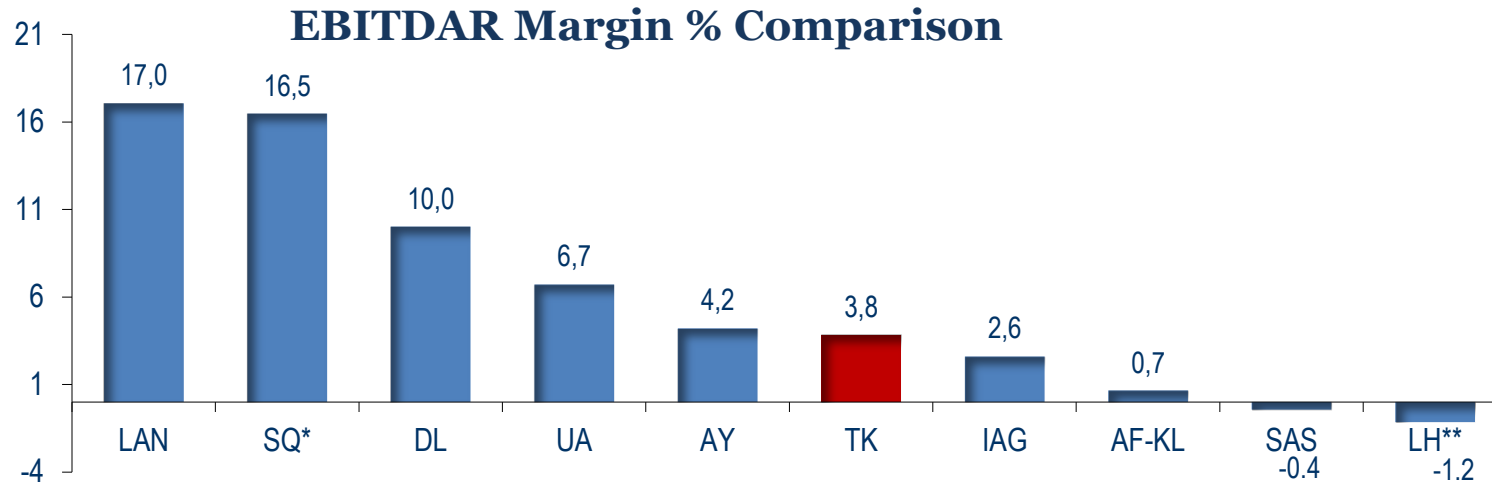


\* AVG= Average Annual Growth Rate

(Mn\$)	2006	2007	2008	2009	2010	2011	1Q'11	1Q'12
Revenue	2.834	3.737	4.719	4.552	5.448	7.072	1.335	1.588
Net Income	125	204	874	362	185	11	-140	-16
Net Income Margin (%)	4,4	5,5	18,5	7,9	3,4	0,2	-10,5	-1,0
EBIT	60	389	571	494	299	203	-195	-122
EBIT Margin (%)	2,1	10,4	12,1	10,8	5,5	2,9	-14,6	-7,7
EBITDA	297	670	792	795	596	689	-94	-4
EBITDA Margin (%)	10,5	17,9	16,8	17,5	10,9	9,7	-7,1	-0,3
EBITDAR	451	834	954	1044	901	985	-13	60
EBITDAR Margin (%)	15,9	22,3	20,2	22,9	16,5	13,9	-1,0	3,8

\* Codeshare expenses are no longer included in Rent.

# Peer Group vs THY



(Mn\$)	UA	DL	AF-KL	LH **	IAG	SQ*	TK	SAS	LAN	AY
Revenue	8.602	8.413	7.399	6.606	5.137	11.804	1.588	1.440	1.537	776
Expense	8.873	8.031	8.182	7.567	5.463	11.577	1.711	1.564	1.425	815
Net Income	-448	124	-482	0	-240	315	-16	-109	76	-27
EBIT	-271	382	-758	-583	-326	227	-122	-124	111	-33
EBIT Margin (%)	-3,2%	4,5%	-10,2%	-8,8%	-6,4%	1,9%	-7,7%	-8,6%	7,2%	-4,2%
EBITDA	109	768	-246	-123	4	1.489	-4	-61	218	9
EBITDA Margin (%)	1,3%	9,1%	-3,3%	-1,9%	0,1%	12,6%	-0,3%	-4,3%	14,2%	1,2%
EBITDAR	578	843	48	-76	134	1.945	60	-6	262	33
EBITDAR Margin (%)	6,7%	10,0%	0,7%	-1,2%	2,6%	16,5%	3,8%	-0,4%	17,0%	4,2%

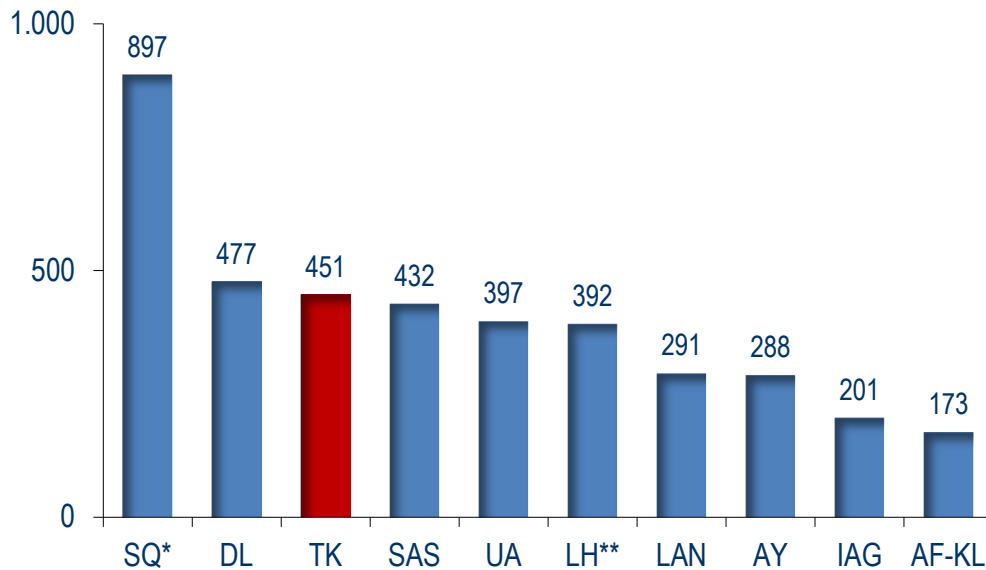
\* April 2011-March 2012, Full Year results

\*\*LH is based on airlines business only. Others based on Group Financials.

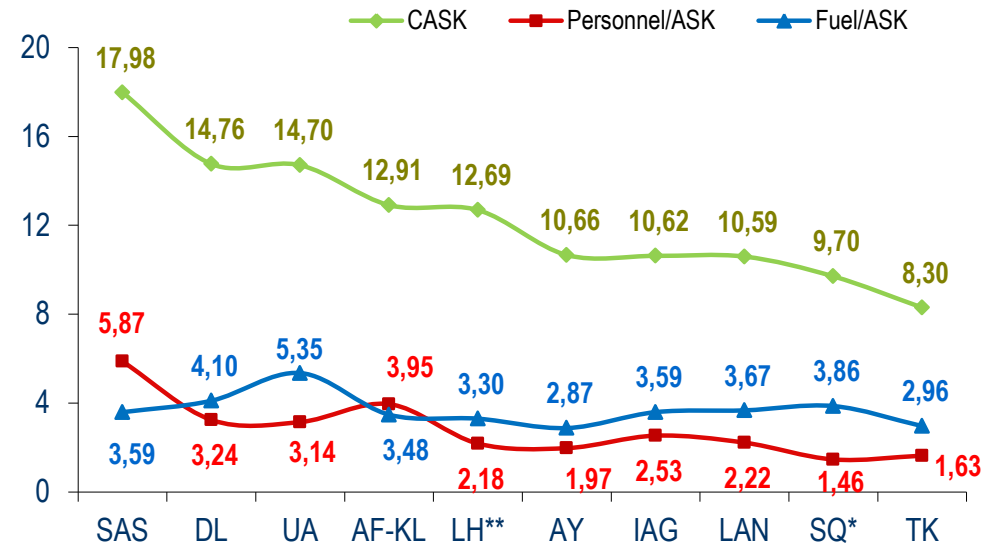
Source: Calculated based on web site & annual reports

# Peer Group vs THY

## PAX Per Personnel



## Cost Per ASK (\$ Cent)



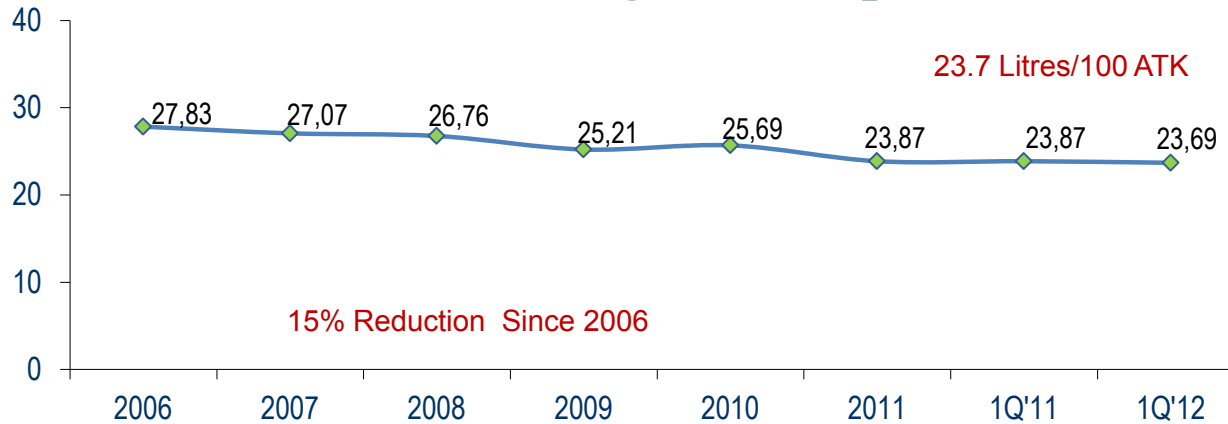
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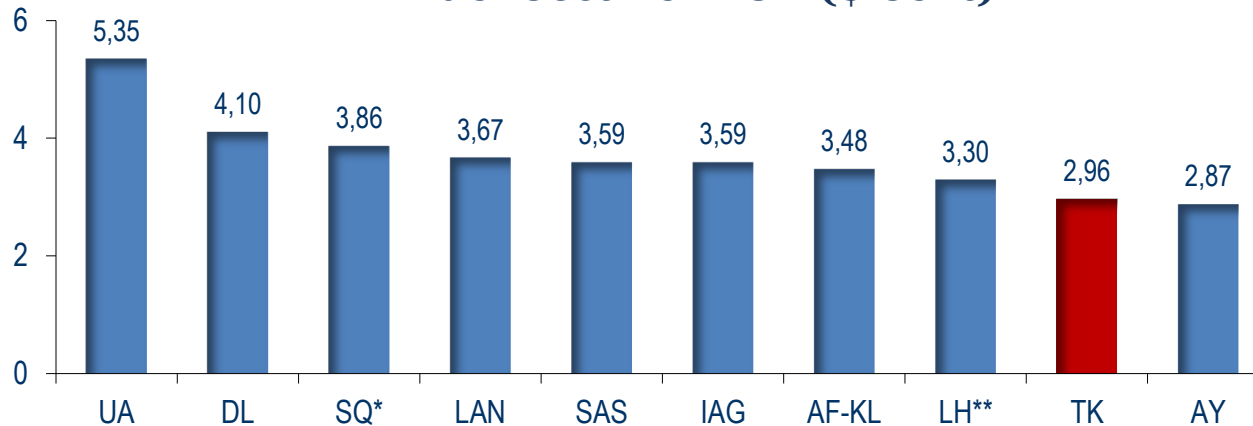
**THY is the most cost efficient among its European Peers**

# Fuel

## Average Consumption



## Fuel Cost Per ASK (\$ Cent)



- › THY's fuel expense per ASK is lower on the average compared to its peer group.
- › Due to fleet expansion, the fleet average age will be lower which in return will increase THY's fuel efficiency.
- › As of March 2012, with the help of its' young fleet and Fuel Saving Program which started in April 2008, THY saved 2.179 tons of fuel and reduced CO2 Emission by 6.865 tons.

**Fleet expansion will reduce fuel cost as well as fleet age**

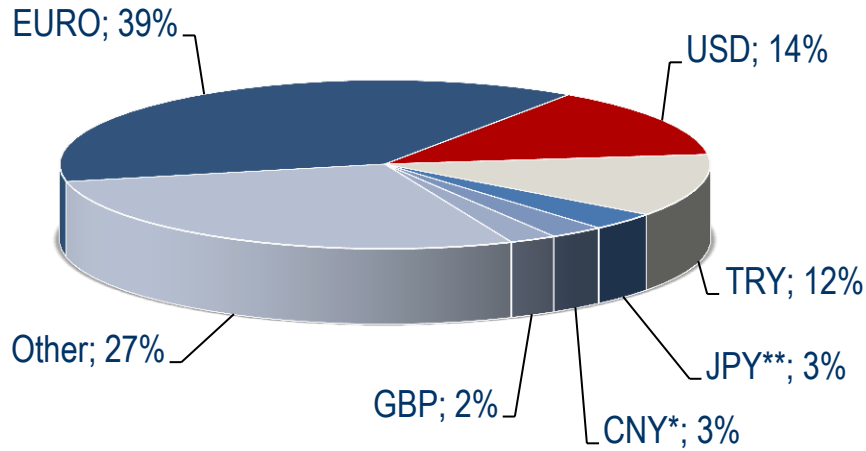
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# Currency Breakdown

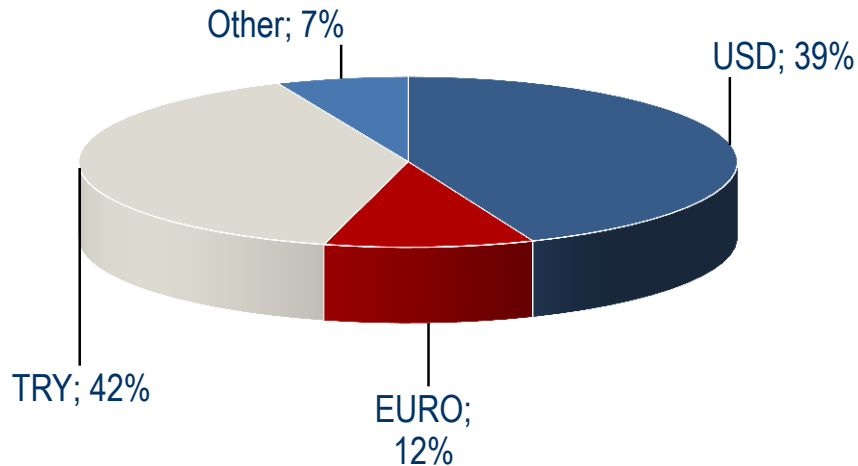
## Revenue by Currency



• Chinese Yuan Renminbi  
 \*\* Japanese Yen

› THY's income is diversified among the major currencies.

## Expenses by Currency



Currency exposure risk is minimized due to efficient cash management

# Recent Awards



East Capital Best Growth Award 2011

Winner of 3 awards at the 2011 World Airline Awards:

- › Best Airline Europe
- › Best Premium Economy Seats
- › Best Airline Southern Europe



Has been voted the best airline for in-flight food, according to a recent survey of travellers by Skyscanner

Winner of Air Transport World-Market Leadership Award 2011

Is the only 4 Star Airline in all categories in Europe





# Sponsorships



# New CIP Lounge



# Balance Sheet

<b>Assets ( Mn\$)</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>1Q'12</b>
Cash and Equivalents	260	412	334	724	526	820	535
Net Trade Receivables	177	211	231	295	374	403	630
Other Current Assets	318	654	1.168	839	1.358	932	1.444
<b>Total Current Assets</b>	<b>755</b>	<b>1.277</b>	<b>1.733</b>	<b>1.858</b>	<b>2.259</b>	<b>2.155</b>	<b>2.609</b>
Net Fixed Assets	2.196	2.777	3.343	3.195	4.168	5.873	5.944
Other Long Term Assets	205	172	155	638	462	656	594
<b>Total Long Term Assets</b>	<b>2.400</b>	<b>2.949</b>	<b>3.499</b>	<b>3.834</b>	<b>4.629</b>	<b>6.528</b>	<b>6.538</b>
<b>Total Assets</b>	<b>3.155</b>	<b>4.226</b>	<b>5.231</b>	<b>5.692</b>	<b>6.888</b>	<b>8.684</b>	<b>9.147</b>
<b>Liabilities (Mn\$)</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>1Q'12</b>
Short Term Lease Obligations	156	193	277	274	319	418	431
Accounts Payable	226	313	288	371	476	529	603
Passenger Flight Liabilities	229	326	322	390	436	570	855
Other Current Liabilities	149	187	206	259	413	573	676
<b>Total Current Liabilities</b>	<b>760</b>	<b>1.019</b>	<b>1.094</b>	<b>1.293</b>	<b>1.643</b>	<b>2.091</b>	<b>2.565</b>
Long Term Lease Obligations	1.027	1.347	1.850	1.711	2.384	3.771	3.913
Retirement Pay Provision	83	113	94	101	110	101	103
Other Long Term Liabilities	139	160	218	299	327	339	164
<b>Total Long Term Liabilities</b>	<b>1.250</b>	<b>1.621</b>	<b>2.163</b>	<b>2.111</b>	<b>2.821</b>	<b>4.211</b>	<b>4.180</b>
Share Capital	125	151	116	581	647	635	677
Inflation Difference on Shareholders' Equity	1.330	1.493	1.106	746	727	595	634
Restricted Profit Reserves	6	52	0	15	25	21	22
Currency Translation Differences	0	0	3	3	2	423	320
Cash Flow Hedge Fund	0	0	0	-1	10	-25	-15
Retained Earnings	-443	-338	0	572	827	723	781
Net Profit For the Year	127	228	750	371	185	10	-17
<b>Total Shareholders' Equity</b>	<b>1.145</b>	<b>1.587</b>	<b>1.975</b>	<b>2.288</b>	<b>2.424</b>	<b>2.382</b>	<b>2.402</b>
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>3.155</b>	<b>4.226</b>	<b>5.231</b>	<b>5.692</b>	<b>6.888</b>	<b>8.684</b>	<b>9.147</b>

In converting the TRY reported results to DOLLAR, year-end DOLLAR exchange rates were used

Source : Upto and including year 2010 Financials released under Turkish CMB standards converted to USD using yearly average exchange rates. However as of 01.01.2011 Functional currency of Turkish Airlines is changed from Turkish Lira to US Dollar .

*Globally Yours*

**TURKISH  
AIRLINES** 

# Income Statement

Income Statement (Mn\$)	2006	2007	2008	2009	2010	2011	1Q'11	1Q'12	12/11 %
Operating Revenues	2.834	3.737	4.719	4.552	5.448	7.072	1.335	1.588	19%
Operating Expenses	-2.773	-3.348	-4.148	-4.058	-5.149	-6.869	-1.530	-1.711	12%
<b>Operating Profit</b>	<b>60</b>	<b>389</b>	<b>571</b>	<b>494</b>	<b>299</b>	<b>203</b>	<b>-195</b>	<b>-122</b>	<b>-37%</b>
Income From Other Operations	193	174	44	59	92	96	22	30	34%
Loss From Other Operations	-42	-8	-162	-84	-79	-238	-8	-5	-36%
<b>Income Before Financial Income/(Expense)</b>	<b>211</b>	<b>556</b>	<b>453</b>	<b>468</b>	<b>312</b>	<b>61</b>	<b>-181</b>	<b>-98</b>	<b>-46%</b>
Share at Profit (Loss) on Investments Accounted for Equity Method		12	3	8	-24	6	-6	-12	90%
Financial Income		238	1.100	112	47	166	9	13	45%
Financial Expense	-79	-520	-550	-112	-99	-145	-29	-127	331%
<b>Income Before Taxation</b>	<b>132</b>	<b>285</b>	<b>1.006</b>	<b>477</b>	<b>237</b>	<b>87</b>	<b>-207</b>	<b>-223</b>	<b>8%</b>
Taxation	-7	-81	-132	-115	-51	-76	67	206	208%
<b>Net Income</b>	<b>125</b>	<b>204</b>	<b>874</b>	<b>362</b>	<b>185</b>	<b>11</b>	<b>-140</b>	<b>-16</b>	<b>-88%</b>

In converting the TRY reported results to DOLLAR, the period average DOLLAR exchange rates were used

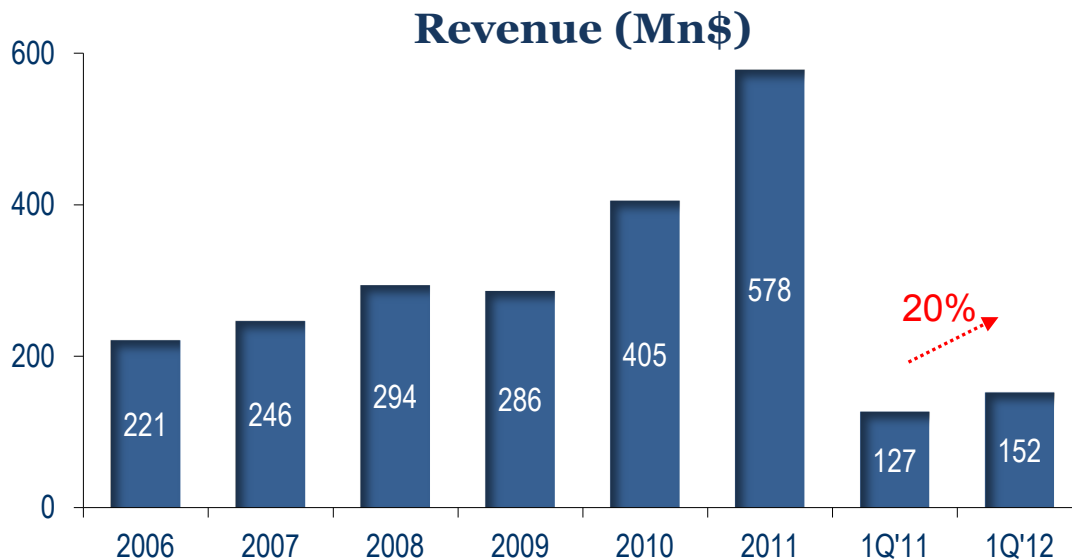
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# Cargo Transportation

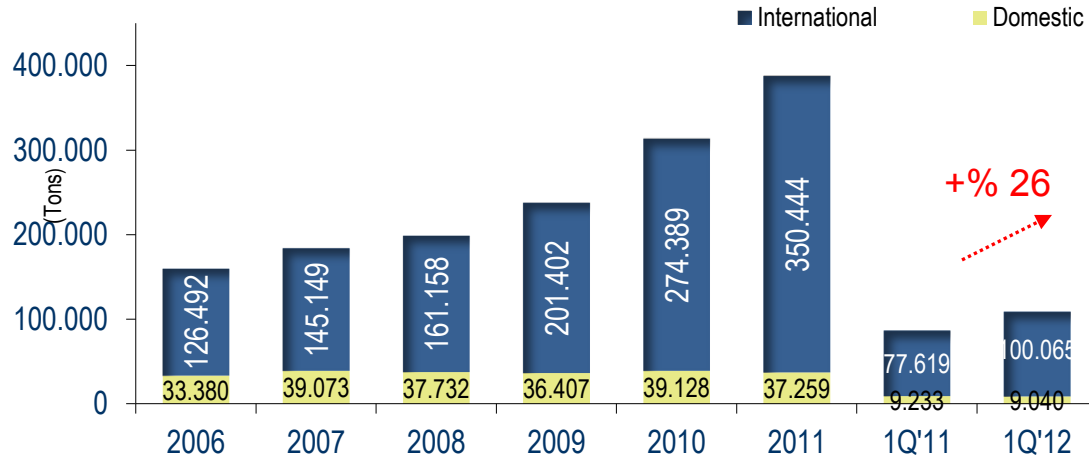
## TURKISH CARGO

- › Leading cargo carrier in total export and import cargo in Turkey.
- › By the end of March 2012, operates 30 destinations with its 4 A310-300 and 2 A330-200F freighters besides 191 destinations with 178 passenger aircraft.
- › During the first quarter of 2012, posted cargo revenue was 152 million Dollars, carried cargo was 109.105 tons.



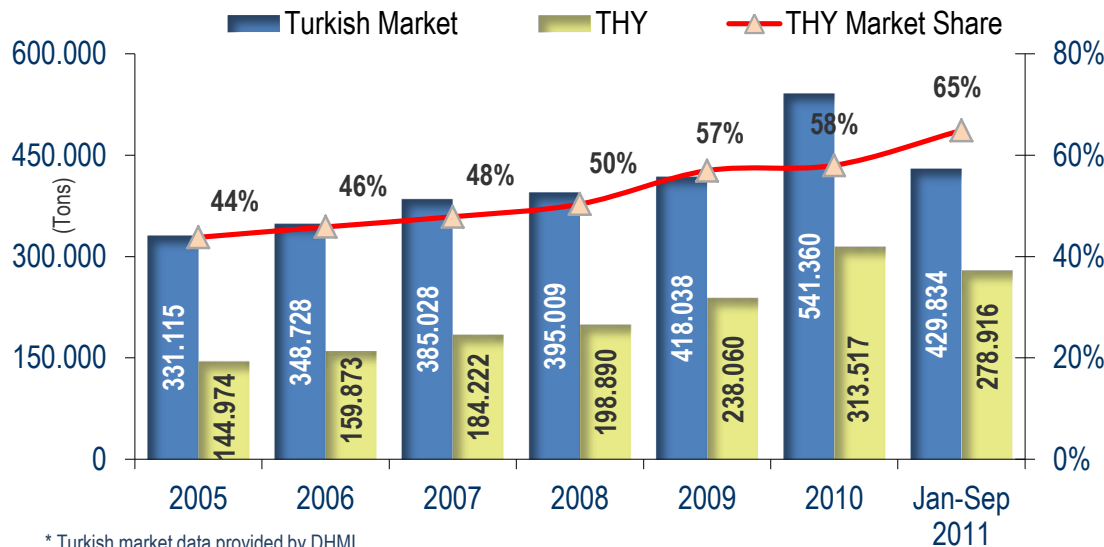
# Cargo

## THY -Cargo



- › Cargo carried in international lines is increasing over the last two years. As of 2011, 90% of carried cargo was from the international segment.
- › As of March 2012, THY has carried total of 109.105 tons cargo, indicating 26% increase compared to the same period of 2011.
- › THY, having 58% market share in Turkish cargo market by the end of 2010, has increased its market share to 65% as of September 2011.
- › According to the Fleet Plan, decision made to purchase 5 Airbus cargo aircraft A330-200F, of which 2 of them have already been added to the THY fleet.

## Market vs THY



\* Turkish market data provided by DHMI.

# Turkish Aviation Academy

- › Turkish Aviation Academy was founded in 1986 as a result of a need for training needs of THY personnel.
- › One of the most outstanding training centers in the aviation industry and recently became both Regional Training Partner for IATA & IATA Authorized Training Center.
- › Provides training services for about 20.000 people each year with its trainers, specialized in their areas.
- › Currently has 46 instructors with 40 classrooms.
- › Addresses the training needs of cargo and passenger agents, universities and other airlines besides Turkish Airlines.
- › Provides training services in these areas:
  - › Technical (Theoretical and Practical)
  - › Commercial and Ground Handling
  - › Management and Personal Development



- › National/International Approvals and Memberships:
  - › TS-EN-ISO 9001:2008 Quality Management System Certificate
  - › EASA-Part 147 Approval
  - › CAA Dangerous Goods Certificate of Authorization
  - › SHY/JAR 147 Certificate of Authorization
  - › IATA Approval
  - › EAMTC Membership

# Turkish Aviation Academy

## › Turkish Airlines Flight Training Center

- › Turkish Airlines Flight Training Center offers Cockpit Crew Training , Cabin Crew Training, Ground Training and Simulators.
- › Turkish Airlines has the following simulators:
  - › 8 full Flight Simulators for RJ-100, B737-400, B737 800s, A320s, B777- 300ER, A330/340 aircraft
  - › 1 FNPT II MCC
  - › 4 Flight Training Devices for A320, A330/340, B737-800 and B777
  - › 1 A320 Door Trainer, 1 B777 Door Trainer
  - › A340 "Business class", B737 "Economy Class" Cabin Service Trainer (CST)
  - › B737/A310/A340 Cabin Emergency Evacuation Trainer(CEET)



## Turkish Flight Academy

- › Founded on November 2004 as a result of a need for new flight personnel for THY.
- › Started training with 16 pilot candidates on May 2006. So far, 118 students have graduated from the Academy and started flying at Turkish Airlines.
- › Currently 58 pilot candidates are given training at the Academy.
- › Giving 210 hours flight training and 1200 hours ground training.



# Subsidiaries & Affiliates

	Owned	Year Established
THY Teknik A.Ş.	100%	2006
P& W THY Teknik Uçak Bakım Merkezi Ltd. Şti	49%	2008
Goodrich-THY Teknik Servis Merkezi Ltd. Şti.	40%	2010
THY Do&Co İkrım Hizmetleri A.Ş.	50%	2007
Sun Express	50%	1989
Bosna Hersek Havayolları	49%	1994
THY Opet Havacılık Yakıtları A.Ş.	50%	2009
TGS Yer Hizmetleri A.Ş.	50%	2008
HABOM A.Ş.	100%	2011
TCI Kabin İçi Sistemleri San. ve Tic. A.Ş.	51%	2011
Uçak Koltuk Üretimi San. Ve Tic. A.Ş.	50%	2011
Turbine Teknik Gaz Türbinleri Bakım Onarım A.Ş.	50%	2011

# Subsidiaries & Affiliates

## TURKISH TECHNIC

### THY Teknik A.Ş.(Consolidated)

- › Owned 100% by THY.
- › Provides maintenance services to more than 100 customers, including international airlines such as Lufthansa, KLM, BA and Alitalia as well as domestic airlines.
- › Main goal is to become one of the biggest MRO Center in the region.
- › THY will be developing its technical service and maintenance business through the HABOM Project.





# Subsidiaries & Affiliates

## › HABOM (Maintenance Repair & Overhaul Center) Corporation

- › HABOM is established, in June'11, with the capital of 500,000 TL as “HABOM Havacılık Bakım Onarım ve Modifikasyon Merkezi A.Ş”
- › HABOM Corporation plans to provide not only maintenance service to around 400 aircraft per annum, but also to provide training and other services to civil aviation industry in Turkey and surrounding region.
- › Total investment will be around 400 mn\$.
- › The facility which is designed according to LEED Gold standards will be located in Sabiha Gokcen International Airport in Istanbul. First phase of the facility will be completed in the first quarter of 2012.
- › HABOM expected to be in full capacity starting from the second half of 2012 and gradually by the year 2022 expected revenue is around 6.5 bn\$ .



# Subsidiaries & Affiliates

## TURKISH ENGINE CENTER

### › P&W THY Teknik Uçak Bakım Merkezi Ltd. Şti

- › In 2008, THY Technic and Pratt & Whitney signed a joint venture and established Turkish Engine Center.
- › Owned 51% - 49% by Pratt&Whitney and THY Technic, respectively.
- › The field of activities are ; to provide engine maintenance, repair and overhaul (MRO) services to customers located in Turkey, surrounding regions and worldwide.
- › The new environmentally efficient CFM56® and V2500 engine overhaul facility is planned to be comprised of approximately 25,000 sq. meters and total usage area is 100,000 sq. meters located at the Sabiha Gökçen International Airport.
- › The facility, is designed according to LEED® (Leadership in Energy and Environmental Design)™ Gold Standards. Consequently, today the facility is the first Industrial building that acquires this certificate in Turkey.

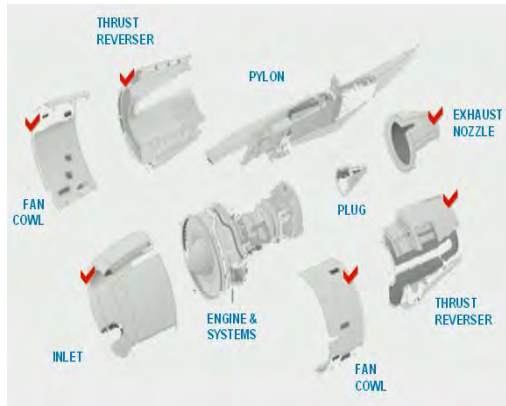


# Subsidiaries & Affiliates

## GOODRICH THY TECHNIC SERVICE CENTER

### › Goodrich-THY Teknik Servis Merkezi Ltd. Şti

- › Founded in July 2010, owned 40% - %60 by THY Technic and TSA-Rina Holdings B.V., subsidiary of Goodrich Corporation.
- › Mainly focus on to provide excellent offer for Nacelle, Thrust Reverser, and its components; repair, overhaul and modification services for Turkish Airlines, other customers from Turkish domestic and International market with high quality, efficiency and best price level.
- › The facility is located in Gebze Organized Industrial Zone. The indoor area is approximately 4.000 sq meters.



Components will be repaired/serviced by the company



## THY DO&CO CATERING

- › **THY Do&Co İkrâm Hizmetleri A.Ş. (Equity Pick-up)**
  - › Founded in 2007, Owned 50% - %50 by THY and Do & Co Restaurants & Catering A.G.
  - › Since 2007, operating nine gourmet kitchens all over Turkey: Istanbul (Atatürk and Sabiha Gökçen), Ankara, Antalya, Izmir, Bodrum, Trabzon, Dalaman and Adana. Over 60 national and international airlines are catered from these locations.
  - › Turkish Airlines won award at 2010 World Airline Awards, for the “World's Best Economy Class Onboard Catering”, which is served by Turkish Do&Co.
  - › Turkish Airlines’s “Flying Chef Program”, was inaugurated on the airline’s New York route in April 2010.





# Subsidiaries & Affiliates

## › TGS Yer Hizmetleri A.Ş. (Equity Pick-up)

- › Registered on August 28th, 2008 to Commerce Registry.
- › Owned 50% - %50 by THY and Havaş Havaalanları Yer Hizmetleri A.Ş.



## › JP`B&H Airlines`d.o.o.Sarajevo (Equity Pick-up)

- › Owned 49% by THY.
- › Founded in 1994 as Bosnia Herzegovina's national airline under the name B&H Airlines.

**BH Airlines**  
THE AIRLINE OF BOSNIA AND HERZEGOVINA

# Subsidiaries & Affiliates

## SUN EXPRESS

### › Sun Express (Equity Pick-up)

- › Founded in October 1989 as a subsidiary company of Lufthansa and Turkish Airlines.
- › Owned 50% - 50% by THY and Lufthansa, respectively.
- › Market leader in charter flights between Germany and Turkey.
- › Flies to/from 21 airports in Germany, 15 in Turkey and 8 in other countries.
- › Fleet consisted of 22 B737 aircraft with total seat capacity of 4.158 as of March 2012.
- › Carried 1,341,033 passengers, by achieving load factor of 75.7% in the first quarter of 2012.
- › As of March'12, number of personnel: 1.556



## TURKISH OPET AVIATION FUELS

- › **THY Opet Havacılık Yakıtları A.Ş.**
  - › In terms of investment on jet fuel supply; Turkish Airlines established a jet fuel supply company together with local oil retailer OPET on September 2009.
  - › Owned 50% - %50 by THY and OPET.
  - › The business activity of the established company is to supply jet fuel to any type of aircraft.
  - › Started supplying jet fuel to THY for all domestic airports as of July 1st 2011.





**TURKISH  
AIRLINES**



A STAR ALLIANCE MEMBER 

THANK YOU



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